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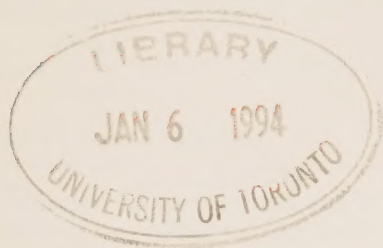
Government
Publications

Native Community Branch Northern Native Small Business Development Program (NNSB)

Ontario Ministry of Citizenship

Ontario Ministry of Northern
Development and Mines

Background



In the April 1986 Throne Speech, Ontario announced the Native Economic Participation Program (NEPP). The Native Small Business Development Program (NNSB) is a component of NEPP and is funded for a total of \$8 million from the Northern Development Fund, Ministry of Northern Development and Mines.

NNSB is designed to assist in the start-up of private sector businesses owned and controlled by Native people in Northern Ontario. An existing Northern Native business may also receive assistance for the expansion, diversification or modernization of its operations. The following are some general questions and answers that will help explain the program.

How can the program help me start up a business?

NNSB has three sub-programs: capital costs, start-up costs and studies. The capital costs sub-program funds:

- the purchase of fixed assets, such as machinery, equipment and vehicles; and
- the cost of construction, acquisition and renovation of a facility.

The start-up costs sub-program may provide one-time start-up expenses to a new business, and limited incremental costs

for the expansion, diversification or modernization of an existing business.

The feasibility studies sub-program may assist with the funding of business-specific research studies and plans to determine the overall viability of a business start-up or a project that will expand, diversify or modernize an existing business. It may also assist an entrepreneur in assessing whether and how a business plan should be implemented.

Who is eligible to apply?

- A status Indian (on and off reserve), Inuit, and/or Metis individual who is, or is in the process of becoming, a sole proprietor or one-person corporation; or
- A partnership, co-operative, or limited company, which is incorporated or is in the process of incorporation, and in which a minimum of 51% is owned and controlled by persons of Native ancestry.

The business must be located within the territorial districts of Northern Ontario: Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay, Timiskaming, and Nipissing.

What type of business activities are eligible?

Manufacturing, natural resource harvesting, tourism, recreation, retail and/or service industries are all eligible business activities.

Ineligible business activities include: a professional establishing a practice related to

his/her profession; an agricultural-based farm operation; traditional activity, unless the activity is the primary income support of an individual; a part-time venture; and a speculative business venture, including real estate development.

What type of assistance is available?

- Assistance under the capital costs sub-program may be up to 75% of eligible project costs to a maximum repayable grant of \$100,000.
- Assistance under the start-up costs sub-program may be up to 75% of eligible project costs to a maximum repayable grant of \$35,000.

- Assistance under the studies sub-program may be up to 75% of eligible project costs to a maximum repayable grant of \$30,000.

How much money do I have to invest?

If you are an existing business, the overall equity position in your business must be a minimum of 10%.

You must invest a minimum of 10% of the total eligible project cost as equity in the proposed business or project. A portion

of the equity may be contributed and/or financed, but a minimum of 5% must be unencumbered cash. Applicants should discuss other forms of equity investment which may be permissible with their NCB consultant.

Is stacking of funds allowed?

Yes. Grants from other government assistance programs will be permitted, but the total provincial contribution must

not exceed seventy-five percent (75%) of the total eligible project cost.

Can an existing business qualify?

Yes. All three sub-programs may be used by an existing business to renovate, expand or diversify their operations but

the project must demonstrate incrementality through increased productive capacity.

Is the purchase of a franchise operation eligible?

Yes. The purchase of a new franchise operation is eligible for funding. Assistance may

be up to 75% of eligible costs to a maximum of \$135,000.

Can I buy an existing business under this program?

Yes. Purchase of an existing business (including an existing franchise) may be eligible for funding in three specific situations, where the acquisition will:

- a. maintain an essential service in the community;
- b. create/maintain significant

native employment that would otherwise be lost; or
c. result in entry to an industry which is closed by licensing restrictions.

Only the fixed assets of the acquisition are eligible for funding.



Northern Native Small Business Development Program (NNSB) Repayable Grant Application

A Applicant Information

Please read carefully and complete all of the application.

Name of Applicant		Telephone No. (include area code)	
Mailing Address			
City or Town		Postal Code	
Indicate which of the following most closely describes your aboriginal ancestry.		Sex of Applicant	
<input type="checkbox"/> Status Indian	<input type="checkbox"/> Metis/Non-Status Indian	<input type="checkbox"/> Inuit	<input type="checkbox"/> Male <input type="checkbox"/> Female
Legal Name of Business		Telephone No. (include area code)	
Business Address (if different from above)			
City or Town		Postal Code	Business Incorporated <input type="checkbox"/> Fed. <input type="checkbox"/> Prov.
Business Status	Form of Legal Entity		Incorporation/Registration No. of Business
<input type="checkbox"/> Proposed	<input type="checkbox"/> Co-operative <input type="checkbox"/> Sole Proprietorship (include S.I.N.)		Social Insurance Number — —
<input type="checkbox"/> Existing	<input type="checkbox"/> Limited Company <input type="checkbox"/> Partnership (include spouse's S.I.N. if husband/wife partners)		
Include a separate list of names and addresses of all partners, members, shareholders and Board of Directors/Executive Members of an applicant business. <input type="checkbox"/> Documents attached			

B Business/Project Description

Project Location (Check one)
☐ On Reserve ☐ Off Reserve

Project Description (Check one)
☐ Business Start-up ☐ Business Expansion ☐ Business Diversification ☐ Business Modernization ☐ Feasibility Study

Type of program funding requested (Check one. A separate application must be made under each sub-program):
☐ Capital Costs ☐ Start-up Costs ☐ Franchise Acquisition ☐ Feasibility Studies

For a business start-up, describe the proposed business venture, and for an existing business describe the current business operations and the proposed project.

☐ Business plan attached* ☐ Terms of reference attached (feasibility study only)

*Including three year pro forma financial statements (balance sheet, income and cash flow statements). For an existing business, also provide the previous two years financial statements (audited, if available).

☐ Documents attached ☐ Architect's schematic drawings (if applicable)

Why are you undertaking this business/project?

Amount Requested \$	Project Start Date	Completion Date (Please note that projects undertaken must be completed within 18 months of commencement).			
Estimated Jobs Created (Person Years)		Total Estimated Positions Created			
Full-time Male	Female	Part-time Male	Female	Male	Female

C. Summary of Estimated Project Cost/Value

If your project is approved, commitments for funding will be given according to the repayable grant funding formula and will be based on the estimated cost of the project indicated below. Such commitments will be up to a maximum amount and cannot subsequently be increased, should project costs rise for any reason. Project changes may not be made without first obtaining written consent from the Minister. A maximum contingency allowance of 10% may be included under the capital cost sub-program. Should actual project costs be less than estimated, the maximum grant payable will be reduced based on a percentage formula of the total approved eligible costs. Identify how you have calculated the estimated project cost. Copies of at least three tenders or price quotations must be attached for all expenditure categories.

☐ Documents attached

The anticipated expenditures of this project:

Studies Costs

a) Consultant Fees	\$
b) Consultant Expenses	\$
i) Total	\$

Capital Costs

a) Land/Building Purchase	\$
b) Facility Construction/Additions/Renovations	\$
c) Machinery	\$
d) Tools/Equipment	\$
e) Vehicles	\$
f) Other (specify)	\$
g) Sub Total	\$
h) Contingency Allowance (10% maximum)	\$
i) Total	\$

Start-Up Costs (specify)

a)	\$
b)	\$
i) Total	\$

Franchise Costs (specify)

i) Total	\$
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The anticipated financing of this project:

j) Investment equity: Cash			\$
Financed Equity (specify)			\$
Contributed Equity (specify)			\$
			\$
k) Provincial Grants (other than NNSB)	Program	Program	\$
l) Federal Grants	Program	Program	\$
m) Loans, Mortgages, etc. **			\$
n) Other Sources (specify)			\$
o) Total			\$
p) Balance of NNSB funds requested (o) - (i) = (p)			\$

**Provide separate details of any loans, mortgages, etc.

☐ Documents attached.

D. Terms and Conditions

1. Terms Applying To All Applicants

a. Definitions

For the purposes of NNSB, the following definitions shall apply:

"Applicant" means an individual, business, partnership, or organization that has submitted a repayable grant application to the Ministry.

"Canadian Content" means all Canadian labour, material, transportation costs, duty, taxes and profits. It is the value of the supplier's net selling price minus the declared value of any imported goods or services.

"Contract" means a legal document which outlines the responsibilities and conditions of both the recipient and the Ministry.

"Grant and Repayable Grant" mean grants provided to a recipient which may become repayable if any of the terms and conditions outlined in the Minister's letter of approval, any attachments thereto, and in any subsequent correspondence from the Ministry are breached.

"Ministry and Minister" mean the Ontario Ministry and Minister of Citizenship.

"Project" means the Project as described in the Minister's letter of approval, in any attachments thereto, and in any subsequent correspondence from the Ministry.

"Recipient" means the applicant organization which has submitted this application, has agreed to be bound by these terms and conditions outlined in the Minister's letter of approval, attachments thereto, and in any subsequent correspondence and has been awarded a repayable grant by the Minister of Citizenship.

b. Purpose of Grants

Grants shall be used only for the purposes outlined in the Minister's letter of approval, any attachments thereto, and in any subsequent correspondence from the Ministry. Changes in the project shall only be made with the Ministry's written approval.

c. Timing of Terms and Conditions

These terms and conditions shall be in effect for three (3) years from the date of the Minister's letter of approval unless stipulated otherwise in the Minister's letter of approval or in any attachments thereto.

d. Credit to Ministry

The recipient shall acknowledge the support of the Government of Ontario through the Ministry of Citizenship, in all advertising, publicity and construction signs relating to the project, in any permanent tribute to donors displayed on the site, as well as in any final study report.

e. Disposal of Assets

The recipient shall not sell or dispose of the facilities without the Ministry's prior written consent. The recipient shall not mortgage or encumber the facilities for more than the total market value of the facilities minus the amount of the grant.

f. Assignment of Grant

The applicant/recipient shall not assign this application or the grant without prior written consent of the Ministry.

g. Further Conditions

The applicant shall have to sign a legal contract outlining the recipient's and the Ministry's responsibilities, and terms and conditions of provision of the grant.

The Ministry shall be entitled to impose such additional terms and conditions to the use of the grant which, in its sole discretion, it deems necessary and shall be entitled to impose such terms and conditions on any consent granted pursuant to this application.

h. Grant Repayment

The recipient shall, at the request of the Ministry, repay to the Ministry the whole or any part of the grant if the recipient:

- if the applicant breaches any of the conditions laid out in these guidelines, the Minister's letter of offer or in any attachments thereto.

- in the event that all or part of the project is sold, ceases to operate, is wound up or dissolved, enters bankruptcy;
- if funds were misused, or funds were obtained by providing false information; and/or
- if funds were used for purposes not agreed upon by the Ministry.

Where required, the grant shall be repaid by cheque payable to the Treasurer of Ontario and mailed to:

Finance Branch
Ministry of Citizenship
77 Bloor St. West, 4th Floor
Toronto, Ontario
M7A 2R9

The Ministry reserves the right to demand interest on any amount owing by the recipient to the Ministry at the current rate charged by the Province of Ontario on accounts receivable.

i. Unused Funds

Any unused portion of the grant remains the property of the Ministry and, if already paid to the recipient by the Ministry, shall be repaid to the Ministry.

j. Installments

The grant shall be paid in installments at the discretion of the Ministry. The project shall begin before the end of the fiscal year in which the grant becomes payable or all remaining installments may be cancelled. However, no grant shall be paid if the project has begun before a complete application has been received and approved by the Ministry.

Projects may be carried over the end of the fiscal year, with prior approval from the Ministry, however, all projects must be completed and funds disbursed within eighteen months after the Attachment Letter of offer has been signed by the applicant.

k. Accounting

The recipient shall keep and maintain all records, invoices and other documents relating to the grant in a manner consistent with generally accepted accounting principles, and shall maintain such records for a period of three years after completion of the project.

The recipient authorizes the Ministry and its agents at all reasonable times to inspect and copy any records, invoices and documents in the possession or under the control of the recipient, including those of any contractor, which relate to the grant. The right of inspection under this paragraph includes the right to perform a full or partial audit.

Only reasonable and proper direct costs of the project which are substantiated by satisfactory supporting documentation shall be reimbursed.

l. Canadian Content/Tendering Process

The recipient shall conduct a process of competitive pricing or tendering for goods and services relating to the project. In the evaluation of tenders, the recipient shall give an allowance of up to 10% on the price of the tender bids for Canadian content, and shall select the goods and services that represent the best value. The Ministry must be advised if you are not able to comply.

m. Ministry Publicity for Project

The Ministry may make public the name of applicants, descriptions of proposed projects and, for approved projects, the grant amounts.

n. Visits

The Ministry may at all reasonable times conduct site visits during and/or after construction of the project.

o. Consent to Release

The Applicant/Recipient consents to the release of information contained in its application and in any reports submitted under these Terms and Conditions, all pursuant to section 17(2) of the Freedom of Information and Protection of Privacy Act, 1987.

2. Terms Applying to Capital/Franchise Projects

a. Limitation of Liability, Indemnification and Insurance

The Ministry shall not be liable for any injury, death or

property damage to the recipient, or for any claim by any third party against the recipient; unless it was caused by the negligence or wilful act of an employee or agent of the Ministry while acting within the scope of his/her employment or agency respectively.

The recipient agrees that the Ministry shall not be liable for any incidental, indirect, special or consequential damages, injury or any loss of use, revenue or profit of the recipient arising out of or in any way related to the project.

The recipient agrees that it shall indemnify the Ministry, its employees and agents, against all costs incurred as a result of a claim or proceeding related to the project, unless it was caused by the negligence or wilful act of any employee of the Ministry, while acting within the scope of his/her employment.

The recipient shall maintain both fire and extended coverage insurance in an amount equal to the replacement cost of the facilities, and comprehensive general liability insurance of at least \$1,000,000.00 per occurrence for bodily injury (including personal injury), death, and damage to property including loss of use thereof, and automobile liability insurance.

If requested by the Ministry, the recipient shall provide satisfactory proof of such insurance. The recipient shall provide notice to the Ministry immediately upon change or cancellation of the insurance.

b. Reports

The recipient shall submit interim reports to the Ministry upon request. The recipient shall report to the Ministry within one year of completing the project. The report shall include photographs of the completed facilities, provide details of how the support of the Ministry has been acknowledged and give all other details requested by the Ministry.

3. Terms Applying Only to Study Projects

a. Limitation of Liability, Indemnification and Insurance

The Ministry shall not be liable for any injury, death or property damage to the recipient, or for any claim by any third party against the recipient, unless it was caused by the negligence or wilful act of an employee or agent of the Ministry while acting within the scope of his/her employment or agency respectively.

The recipient agrees that the Ministry shall not be liable for any incidental, indirect, special or consequential damages, injury or any loss of use, revenue or profit of the recipient arising out of or in any way related to the project.

The recipient agrees that it shall indemnify the Ministry, its employees and agents, against all costs incurred as a result of a claim or proceeding related to the project, unless it was caused by the negligence or wilful act of an employee of the Ministry, while acting within the scope of his/her employment.

b. Consultant

Study projects shall be undertaken by an arms-length consultant with appropriate professional qualifications and experience.

c. Pre-Consultation: Terms of Reference

Before a study application is deemed complete, applicants shall consult with the Ministry and receive approval for the Terms of Reference.

d. Reports

The recipient shall provide the Ministry with three copies of a draft report for review and comments before completing the final report. The Ministry shall provide comments on the draft report and the recipient shall address and reflect these comments in the final report.

The recipient shall also provide the Ministry with three copies of the final report within one month of the report's completion. The final report shall include acknowledgement of Ministry support.

E Statement by Applicant

Any misinformation provided by the Applicant may void this application from consideration.

I certify that I am a Native person of aboriginal ancestry and that the information given in this application for a Northern Native Small Business Development Repayable Grant is true, correct and complete in every respect and that I agree to abide by the terms and conditions governing the NNSB grant. Further, I hereby authorize the Minister of Citizenship through his/her authorized representatives to make such enquiries, undertake such discussions and share such information with other public and private agencies with respect to my application as s/he may in his/her discretion deem necessary for the evaluation and assessment of the proposal.

Name of Applicant Sole-Proprietorship	Date
Signature of Sole Proprietor	Date
Witness	Date

or

On behalf of and with the authority of the organization, I certify that the business is a minimum of 51% owned and controlled by Native persons, of aboriginal ancestry and that the information given in this application for a Northern Native Small Business Development Repayable Grant is true, correct and complete in every respect and that the business agrees to abide by the terms and conditions outlined in the Minister's letter of approval, attachments thereto, and in any subsequent correspondence from the Ministry. Further, I hereby authorize the Minister of Citizenship through his/her authorized representatives to make such enquiries, undertake such discussions and share such information with other public and private agencies with respect to my application as s/he may in his/her discretion deem necessary for the evaluation and assessment of the proposal.

Name of Authorized Official	Position/Title	Signature	Date
Name of Business			Date
Corporate Seal or Witness			Date

Checklist for NNSB

To assist you in providing a complete application for consideration by the Ministry of Citizenship, please ensure that the following are included with your application:

- ☐ A completed application signed by the authorized official.
- ☐ A complete listing of the project costs.
- ☐ For a study proposal, Ministry approved terms of reference, and copies of proposals submitted by at least three qualified arms-length consultants.
- ☐ For projects involving the construction, expansion and/or renovation of a building or facility, copies of at least three tenders or price quotations from qualified contractors and one set of schematic drawings.
- ☐ Marketing information or a feasibility study which demonstrates the viability of the business and/or project.
- ☐ A business plan, including three year pro forma financial statements (balance sheet, income statement, and cash flow statement).
- ☐ For an existing business, previous two years financial statements (audited, if available).
- ☐ Confirmation of applicant's equity investment (either a personal statement of net worth or an accountant's statement attesting to availability if investment funds).
- ☐ Confirmation of other financing (grants, loans or mortgages).

Other attachments:

Can I buy used machinery or equipment under this program?	<p>Yes. The purchase of used equipment, machinery and vehicles may be eligible for funding if you satisfy the following conditions:</p> <p>a. provide strong economic substantiation to support the purchase of the used assets;</p>	<p>b. have the assets inspected to verify that they are in "good working condition";</p> <p>c. have a market appraisal conducted on the assets; and</p> <p>d. all transactions must be at arms-length.</p>
How should an application be made?	Contact your nearest NCB field office representative to request an application kit. Addresses for all NCB field offices are located on the back of this brochure.	Applicants are encouraged to work closely with the NCB field office in the development of their project prior to submitting their application.
What is the approval process?	Applications will be reviewed regularly and approvals will be made by the Minister of Citizenship. Applicants are advised	to submit their applications at least two months prior to the proposed commencement of the business or business project.
How does an eligible applicant qualify?	<p>The basic requirements for an application to NNSB are:</p> <ul style="list-style-type: none"> • A completed NNSB application form. • Market research which demonstrates the viability of the business or business project. 	<ul style="list-style-type: none"> • A business plan, including three-year pro forma financial statements. • For feasibility studies, evidence that the applicant is committed to implementing the business plan if it is favourable.
What are the conditions of the repayable grant?	<p>An applicant will be expected to sign a legal contract which outlines the responsibilities and conditions of both the recipient and the Ministry.</p> <p>An applicant shall be required to repay the entire amount of the grant: if any of the terms and conditions outlined in the Minister's letter of approval,</p>	<p>attachments thereto, and any subsequent correspondence from the Ministry are breached; in the event that all or part of the business is sold, ceases to operate, is wound up, dissolved or enters bankruptcy; or if funds were misused or obtained by providing false information.</p>
How will your application be evaluated?	Your application will be evaluated on whether, in the opinion of the Ministry, the program and eligibility criteria have been satisfied, the business or business project demonstrates	viability, and you have the necessary business management skills to undertake the business or business proposal project.
How long will the program run?	The program will expire when the \$8 million has been allo-	cated, or on March 31, 1991, whichever comes first.

All proposals to the Northern Native Small Business Development Program will be governed by the provisions of the Privacy Act and the Access to Information Act.

**Native Community
Branch
Northern Contact Offices**

Information and assistance in preparing an application may be obtained by contacting the nearest NCB area office. All

NNSB applications must be submitted to the appropriate NCB field office.

Northwest Area

Thunder Bay

Area Manager
1825 East Arthur Street
Thunder Bay, Ontario
P7E EN7
Tel: (807)475-1683

Fort Frances

Box 613
2nd Floor, 240 Scott Street
Fort Frances, Ontario
P9A 3M9
Tel: (807)274-9732

Geraldton

Kenora

3rd Floor
227 Second Street South
Kenora, Ontario
P9N 1G1
Tel: (807)468-5568

Box 778
303 Main Street East
Geraldton, Ontario
POT 1M0
Tel: (807)854-0169

Sioux Lookout

34 Front Street East
Sioux Lookout, Ontario
POV 2T0

Northeast Area

Sudbury

Area Manager
4th Floor
200 Elm Street East
Sudbury, Ontario
P3C 5N3
Tel: (705)675-4349
Toll Free 1-800-461-4027

Sault Ste. Marie

3rd Floor
390 Bay Street
Sault Ste. Marie, Ontario
P6A 1X2
Tel: (705)942-0419

Timmins

2nd Floor
22 Wilcox Street
Timmins, Ontario
P4N 3K6
Tel: (705)267-8018

Information and applications may also be obtained from the Ministry of Northern Development and Mines, and the Northern Ontario Development Corporation.



Ontario

Ministry of Gerry Phillips
Citizenship Minister

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